



The City of San Diego

Staff Report

DATE ISSUED: 10/26/2020

TO: City Council

FROM: Office of The Independent Budget Analyst

SUBJECT: Appointment of City Auditor and Determination of Initial, Annual Compensation

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Council District(s): Citywide

OVERVIEW:

Over the past several months, the City has been in the process of recruiting a new City Auditor. Further information is included in the discussion section below.

PROPOSED ACTIONS:

Appoint a City Auditor and approve the new City Auditor's salary.

DISCUSSION OF ITEM:

The City Charter requires that "[t]he Audit Committee must evaluate applicants for the position of City Auditor and recommend to the City Council no fewer than three qualified candidates for consideration[...]" At the closed session meeting of September 30, 2020, the Audit Committee conducted interviews and selected three candidates to forward to the full City Council for consideration. The City Council subsequently interviewed these three candidates in a closed session meeting on October 26, 2020, selecting one finalist candidate for appointment to the City Auditor position. The Council must approve the appointment of that finalist, Andy Hanau, in open session.

Additionally, since salary cannot be discussed in closed session, the Council-appointed negotiator (Councilmember Sherman, appointed on October 20, 2020) worked with the finalist candidate to negotiate a recommended salary for Council to consider and make a final determination. The salary recommended for Council consideration is \$215,000. Background information regarding the salary process can be found in IBA Report 20-22, "Comparative Salary Analysis for the City Auditor Position", which is attached to this item.

For information on the recruitment process that led to this appointment, see IBA Report 20-20, "2020 City Auditor Appointment Process Status Update for Audit Committee", which is attached to this item. This

report also includes a discussion on initial City Charter changes relating to City Auditor independence, as well as information on subsequent Charter changes that include removing the Mayor from the City Auditor appointment process.

Fiscal Considerations:

The recommended salary for the pending City Auditor appointee is \$215,000. The salary and additional compensation, including monthly automobile allowance (currently \$475), flexible benefits, and retirement benefits, will be paid out of the budget for the Office of the City Auditor.

Charter Section 225 Disclosure of Business Interests:

N/A; there is no contract associated with this action.

City Strategic Plan Goal(s)/Objective(s): N/A

Environmental Impact:

The activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c) 3 in that it is not a project as defined by CEQA Guidelines Section 15378.

Equal Opportunity Contracting Information (if applicable): N/A

Previous Council and/or Committee Actions:

At the closed session meeting of September 30, 2020, the Audit Committee conducted interviews and selected three candidates to forward to the full City Council for appointment consideration.

- The City Council subsequently interviewed the three candidates in a closed session meeting on October 26, 2020, selecting one finalist candidate for appointment to the City Auditor position.

At the open session meeting of September 30, 2020, the Audit Committee recommended to the City Council a City Auditor appointee salary range of \$190,000 to \$239,000.

Additionally, the Council appointed a negotiator, Councilmember Sherman, who was appointed on October 20, 2020, to negotiate with the finalist candidate on a recommended salary for Council to consider and make a final determination.

Key Stakeholders and Community Outreach Efforts: N/A

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